

UNITED STATES OF AMERICA
Before The
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

Renewal of Experimental Classification and)	Docket No. MC99-1
Fees for Weight-Averaged Nonletter-Size)	
Business Reply Mail, 1999)	

OFFICE OF THE CONSUMER ADVOCATE RESPONSE
TO UNITED STATES POSTAL SERVICE MOTION
FOR CONSIDERATION OF REVISED STIPULATION AND AGREEMENT
(May 6, 1999)

The Office of the Consumer Advocate ("OCA") hereby responds in support of the Motion for Consideration of Revised Stipulation and Agreement filed in this proceeding by the United States Postal Service on April 30, 1999. OCA participated in both of the off-the-record settlement discussions in this proceeding and fully supports the Revised Stipulation and Agreement.

The Revised Stipulation and Agreement differs from the initial stipulation and agreement proposed by the Postal Service and filed with its application on March 10, 1999, for an extension of the experimental phase of the weight-averaged nonletter-size Business Reply Mail.¹ The revised settlement provides for elimination of the \$3,000 set-up/qualification fee, a \$600 monthly fee (rather than the current \$1,000 monthly fee), and a per-piece fee of 1 cent (rather than the current 3 cents) for the duration of the

¹ The existing experimental weight-averaged nonletter-size Business Reply Mail service was recommended by the Commission in Docket No. MC97-1, issued May 5, 1997, and commenced June 7, 1997.

experiment. The fees recommended by this settlement are the same fees proposed for the permanent classification in Docket No. MC99-2.

The reduced fees proposed in this Revised Stipulation and Agreement are supported by the record in this proceeding. The reduced fees more closely reflect the specific Postal Service costs of processing weight-averaged nonletter-size Business Reply Mail and are proposed with a recognition of the revenue benefits received by the Postal Service during the start-up experimental phase of this service. Support for the settlement is contained in the Postal Service application, the testimony of Postal Service witness James Kiefer (USPS-T-1), and in his responses to interrogatories posed by OCA in this docket.²

As stated in the Revised Stipulation and Agreement, this settlement pertains only to the instant proceeding and does not extend to the merits of the concurrent Docket No. MC99-2 to establish a permanent classification for weight-averaged nonletter-sized Business Reply Mail. The Revised Stipulation and Agreement also provides that it shall neither bind nor prejudice the parties in any future negotiation or proceeding; nor shall the resolution of these matters be entitled to precedential effect in any other proceeding to the extent that matters presented in this docket have not actually been litigated. The participants further stipulate in this settlement that the proposed changes to the Domestic Mail Classification Schedule, DMCS § 931 and DMCS Fee Schedule 931, set forth in the Attachment to the Revised Stipulation and Agreement, (changes to occur at the end of the existing experiment expiring June 7, 1999) are consistent with the

² See OCA/USPS-T1-1-7, dated April 5, 1999; OCA/USPS-T1-8-18, dated April 7, 1999; and OCA/USPS-T1-19-32, dated April 16, 1999, as amended April 26, 1999.

policies, factors and criteria of title 39 of the United States Code, more specifically 39 U.S.C. §§ 3622 and 3623.

Wherefore, OCA respectfully requests that the Commission grant the Postal Service motion, filed April 30, 1999, for consideration of the Revised Stipulation and Agreement, and that the Commission expeditiously issue a decision recommending adoption of the proposed changes to the Domestic Mail Classification Schedule and Fee Schedule.

Respectfully submitted,

OFFICE OF THE CONSUMER ADVOCATE

Ted P. Gerarden
Director

Kenneth E. Richardson
Attorney

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the rules of practice.

Kenneth E. Richardson
Attorney

Washington, D.C. 20268-0001
May 6, 1999